

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6799

BILL NUMBER: HB 1331

NOTE PREPARED: Jan 2, 2005

BILL AMENDED:

SUBJECT: Increased Payments for Funeral and Burial Expenses.

FIRST AUTHOR: Rep. Saunders

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill increases the reimbursement for funeral director expenses and cemetery expenses for individuals who received supplemental assistance or assistance under Medicaid.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Summary:* The additional state expenditures are estimated to increase, potentially by up to \$1.4 M annually, although data is not available to make a precise estimate. The additional expenditures in the Burial Assistance Program would be paid from the state General Fund.

Background Information: This bill increases the maximum payment for a funeral director's expenses to \$1,000 (\$600 under current statute) and to \$800 for cemetery expenses (currently \$400). The Director of the Division of Family and Children has some discretion to pay less than the maximum after taking into account the ability of the estate to pay these expenses.

The Burial Assistance Program, although requiring the deceased to have been a Medicaid recipient, is funded with state dollars only. Any additional assistance payments would represent additional expenditures from the state General Fund. Under the current program, there was an average of about 2,000 unduplicated recipients per year representing an average annual expenditure of about \$1.8 M during the four-year period from FY 2001 through FY 2004.

The maximum increase in expenditures due to this bill is estimated to be \$1.4 M annually. Data isn't available to know how many burials are paid at the current statutory limits, and thus might be expected to lead to

additional payments because of the increase in the limits. (Payments not currently at the maximum would not be expected to increase because of the bill.) Because of the data limitation, this estimate is based on the maximum number of burials that could possibly hit the current statutory payment limits. The actual impact should be something less than \$1.4 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration (FSSA).

Local Agencies Affected:

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